



US Department
of Transportation
**Research and
Special Programs
Administration**

400 Seventh St. S.W.
Washington D.C. 20590

MAY 27 2004

Mr. John Ulrich
Director
Department of Utilities
City of Palo Alto
250 Hamilton Avenue
Palo Alto, CA 94301

Re: CPF No. 5-2000-0004

Dear Mr. Ulrich:

Enclosed is the Final Order issued by the Associate Administrator for Pipeline Safety in the above-referenced case. It makes findings of violation and assesses a civil penalty. I acknowledge receipt of and accept your payment dated May 5, 2000 for \$5,000 as payment in full of the civil penalty assessed in the Final Order.

The Final Order also finds that you have completed the actions specified in the Notice required to comply with the pipeline safety regulations and that you have addressed the inadequacies in your procedures that were cited in the Notice of Amendment. This case is now closed and no further enforcement action is contemplated with respect to the matters in this case. Your receipt of the Final Order constitutes service of that document under 49 C.F.R. § 190.5.

Sincerely,

James Reynolds
Pipeline Compliance Registry
Office of Pipeline Safety

Enclosure

cc: Mr. Bill Gray
Manager
Water, Gas, and Wastewater Field Operations

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

DEPARTMENT OF TRANSPORTATION
RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION
OFFICE OF PIPELINE SAFETY
WASHINGTON, DC 20590

In the Matter of

City of Palo Alto,

Respondent

CPF No. 5-2000-0004

FINAL ORDER

On April 28-30, 1999, pursuant to 49 U.S.C. § 60117, a representative of the California Public Utilities Commission, as agent for the Office of Pipeline Safety (OPS), conducted an on-site pipeline safety inspection of Respondent's facilities and records in Palo Alto, California. As a result of the inspection, the Director, Western Region, OPS, issued to Respondent, by letter dated April 7, 2000, a Notice of Probable Violation, Proposed Civil Penalty, Proposed Compliance Order, and Notice of Amendment (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Respondent had committed violations of 49 C.F.R. Part 192, proposed assessing a civil penalty of \$5,000 for the alleged violations, and proposed that Respondent take certain measures to correct the alleged violations. The Notice also proposed, in accordance with 49 C.F.R. § 190.237, that Respondent amend its written procedures for Operations and Maintenance.

Respondent responded to the Notice by letter dated May 1, 2000 (Response). Respondent did not contest the allegations of violation but provided information concerning the corrective actions it has taken. Respondent did not request a hearing, and therefore has waived its right to one. Respondent submitted payment in the amount of the proposed civil penalty (\$5,000) on May 5, 2000.

FINDINGS OF VIOLATION

In its Response, Respondent did not contest the alleged violations in the Notice. Accordingly, I find that Respondent violated the following sections of 49 C.F.R. Part 192, as more fully described in the Notice:

49 C.F.R. § 192.199(g) – failing to have an overpressure protection device installed at a district regulator station that is designed and installed to prevent any single incident from affecting the operation of both the overpressure protective device and the district regulator. Respondent installed an overpressure protection device and district regulator in the same vault at the Veterans Administration Hospital Station;

49 C.F.R. § 192.199(h) – failing to design each pressure relief device to prevent unauthorized operation of any stop valve that will make the pressure relief device inoperative;

49 C.F.R. § 192.603(b) – failing to record pressure settings “as found” and “as left” on Respondent’s Receiving Station and Pressure Relief Valve Annual Inspection form provided to OPS to demonstrate compliance with the requirements of § 192.739. Respondent also failed to correctly note the Maximum Allowable Operating Pressure of 25 psig for Station 4; and

49 C.F.R. § 192.747 – failing to check and service each valve, which may be necessary for the safe operation of the distribution system, at least once each calendar year, with intervals not exceeding 15 months

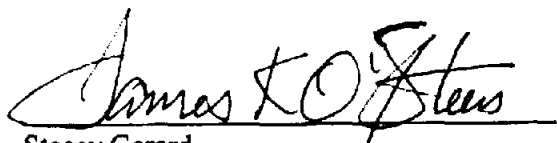
These findings of violation will be considered prior offenses in any subsequent enforcement action taken against Respondent. I assess the civil penalty of \$5,000, already paid by Respondent.

COMPLIANCE ORDER

The Notice proposed a compliance order with respect to Items 1, 2, 3 and 6. Under 49 U.S.C. § 60118(a), each person who engages in the transportation of gas or who owns or operates a pipeline facility is required to comply with the applicable safety standards established under Chapter 601. The Regional Director has reviewed the corrective action taken by Respondent and has indicated that the corrective action has achieved compliance with respect to these violations. Accordingly, since compliance has been achieved, the compliance terms are not included in this Order.

AMENDMENT OF PROCEDURES

The Notice alleged inadequacies in Respondent’s Operating and Maintenance procedures and proposed to require amendment of Respondent’s procedures to comply with the requirements of 49 C.F.R. § 192.605. In its Response, Respondent submitted copies of its amended procedures, which the Director, Western Region, OPS, reviewed. Accordingly, based on the results of this review, I find that Respondent’s original procedures as described in the Notice were inadequate to ensure safe operation of its pipeline system, but that Respondent has corrected the identified inadequacies. No need exists to issue an order directing amendment.


Stacey Gerard
Associate Administrator
for Pipeline Safety

MAY 27 2004

Date Issued